

RESTATED ARTICLES OF INCORPORATION OF  
MILESTONE OWNERS ASSOCIATION, INC.

The undersigned hereby forms a non-stock corporation under the provisions of Chapter 10 of Title 13.1 of the Code of Virginia of 1950, as amended, and to that end adopts the following Articles of Incorporation for such Association.

1      Name.

The name of the Association is Milestone Owners Association, Inc. ("Milestone").

2      Powers and Purposes.

The purposes and powers of the Association are as follows.

- 2.1      To manage, maintain and care for all easements reserved for the benefit of homeowners, common areas, including bugger strips, median (or islands) in the roads and at entrances to Milestone signs identifying Milestone and all decorative structures and other amenities located in Milestone, located in Hanover County, Virginia.
- 2.2      To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, sell, lease transfer, mortgage, encumber, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association but only in accordance with the purposes of the Association.
- 2.3      To fix and levy upon Owners annual and special assessments and to enforce payment thereof, by and lawful means, to provide resources for the Association:
  - (a)      to implement the provisions of the Protective Covenants; and
  - (b)      to pay the expenses of the Association incident to the conduct of its business.
- 2.4      To do any and all things and acts that the Association, from time to time, in its discretion, may deem to be for the benefit of the Property and the Owners thereof or advisable, proper or convenient for the promotion of the peace, health, comfort, safety or general welfare of the Owners thereof; and further, the Association shall have the powers, rights and privileges as an individual to conduct any and all business that an Association organized under the Virginia Non-stock Corporation Act may now or hereafter have or exercise and that is not required to be specifically set forth in these Articles; provided, however, that notwithstanding any other provisions of these Articles, the Association shall not carry on any activities not permitted to be carried on by a homeowners Association exempt from federal income tax under Section 528 of the Internal Revenue Code of 1954, as amended, or the corresponding provision of any future Internal Revenue law.

2.5 The Association is not organized for profit, nor shall it have any power to issue certificates of stock or pay dividends, and no part of the net earnings or assets of the Association shall inure to the benefit of or be distributed, upon dissolution or otherwise, to any member of the Association, director, officer or other natural person. The Association may enter into contracts with ADC or with any other person (including any member, officer, or director), and may pay compensation in reasonable amounts for services rendered.

### 3 Membership.

All Owners shall be members of the Association. ADC, so long as it owns any Lots subject to the Protective Covenants shall also be a member of the Association. Any creditor of an Owner who becomes an Owner by acquiring title to a Lot pursuant to foreclosure or any other proceeding or deed in lieu of foreclosure shall be a member of the Association;

Governmental entities and tenants of Owners of Lots shall not be members of the Association.

The Association shall have the following classes of voting membership.

#### 3.1 Class A

Class A members shall be the Owners (with the exception of the Declarant ) of all Lots, who shall be entitled to one (1) vote for each Lot owned;

#### 3.2 Class B

Class B members shall be the Declarant which shall be entitled to

- (a) three (3) votes for each Lot owned; and
- (b) two (2) votes for each acre {or fraction of an acre which is Fifty Percent (50%) or more, or land owned and designated in the Milestone property and with respect to which a subdivision plan has not been recorded the Class B membership shall terminate and be converted to Class A membership as provided for in the Protective Covenants.

### 4 Directors.

The affairs of the Association shall be managed under the direction of a Board of Directors. the initial Board of Directors shall consist of three (3) directors, whose names and addresses are:

J. Jeffrey Staples            11030 Milestone Drive, Mechanicsville, VA 23116

James F. Smith 11030 Milestone Drive, Mechanicsville, VA 23116

Peter L. Coughter, Jr. 11030 Milestone Drive, Mechanicsville, VA 23116

The initial Board shall serve for a term which expires upon the first annual meeting of the

Association. An election of directors shall then take place in compliance with the provisions in the Bylaws.

5      Registered Office, Registered Agent.

The address of the initial registered office of the Association is 11030 Milestone Drive, Mechanicsville, Virginia 23116. The name of the county in which the initial registered office is located is the County of Hanover. The name of the initial registered agent is J. Jeffrey Staples, who is a resident of Virginia, who is the initial President of the Board of Directors of the Association and whose business address is identical with the registered office of the Association.

6      Mergers.

To the extent proved by law, the Association may participate in mergers with other non-profit associations in the community organized for the same purpose, provided however, that any such merger shall require approval by the majority vote of a quorum of at least two-thirds (2/3) of all members at a meeting duly called for such purpose.

7      Dissolution.

Upon dissolution of the Association, other than incident to a merger or consolidation the assets of the Association shall be dedicated to an appropriate public agency to be used for purpose similar to those for which this Association was created. If such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, Association, trust or other organization devoted to such similar purposes.

8      Definitions.

The following words and terms when used in these Articles of Incorporation (unless the context shall clearly indicate otherwise), shall have the following meanings:

8.1      "Association" is defined as the Milestone Owners Association, Inc.

8.2      "Protective Covenants" is defined as the Declaration of Amended and Restated Protective Covenants recorded in the Office of the Clerk of the Circuit Court of the County of Hanover, Virginia, as the same is amended from time to time.

8.3      "Owner" is defined as the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including the Declarant, but excluding those having such interest merely as security for the payment of a debt or the performance of any obligation.

8.4      "Improved Lot" is defined as a Lot upon which a residence has been substantially completed. A residence shall be deemed to be substantially completed. A residence

shall be deemed to be substantially completed upon the issuance of any certificate of occupancy for the residence.

- 8.5 "ADC" shall mean Ashcake Development Company, L.P., a Virginia limited partnership.
- 8.6 "Lot" is defined as any Lot depicted on a subdivision plat approved by the County of Hanover, Virginia and recorded in the Clerk's Office.
- 8.7 "Property" is defined as that certain real property located in Hanover County, Virginia, a description of which is attached to the Protective Covenants, and all other land which is thereafter subjected to the Protective Covenants.

9     Limit on Liability and Indemnification.

The Association shall indemnify any director or officer or former director or officer of the Association or any person or entity who may have served at its request as a director or officer of the Association against expenses actually and reasonably incurred by him in connection with the defense of any claim, action, suite or proceeding against him by reason of being or having been such director or officer, except in relation to matters as to which he shall be finally adjudged in such action, suite or proceeding to be liable for negligence or misconduct in the performance of duty; to make any other further indemnity to any such persons that may be authorized by the Articles of Incorporation or any resolution adopted, before or after the event, by the members.

10    Controlling Instrument.

If there is any conflict between these Articles of Incorporation and the Bylaws, the Articles shall control; and if there is a conflict between the Protective Covenants and these Bylaws the Protective Covenants shall control.

11    Paragraph Headings.

The paragraph headings herein are inserted only as a matter of convenience and for reference, and in no way define limit or describe the scope of these Articles of Incorporation, or the intent of any provision thereof.

DATED: February 20, 1997

J. Jeffrey Staples  
Board of Directors President

ARTICLES OF RESTATEMENT  
OF  
MILESTONE OWNERS ASSOCIATION, INC.

- 1     Name.  
The name of the Association is Milestone Owners Association, Inc. ("Milestone").
2.     Restatement.  
Attached hereto and incorporated herein by this reference is a copy of the Restated Articles of Incorporation of the corporation (the "Restated Articles").
3.     Member Approval.  
The Restated Articles contain amendments to the Articles of Incorporation which require member approval.
4.     Action by Directors. At a meeting held on January 6, 1997, the Board of Directors of the corporation, by resolution unanimously adopted, found that the Restated Articles were in the best interests of the corporation and directed that they be proposed and submitted to the members of the corporation with the recommendation that they approve and adopt the Restated Articles.
5.     Action by Members. At a meeting held on February 20, 1997, the members of the corporation, at which a quorum was present, adopted a resolution by a vote of more than two-thirds of the members entitled to vote, approving and adopting the Restated Articles. Notice was given to the members pursuant to Section 13.1-842 of the Code of Virginia

Dated: February 20, 1997

J. Jeffrey Staples  
Board of Directors President